

DMHC Undertakings - Blue Cross of California
Monthly Status Report
11/30/05

| U/T # | Brief Description | Responsible Officer | ELT Member | Status | Verification of Compliance | | | | | | Doc Control # |
|-------|-------------------|---------------------|------------|---------------|----------------------------|--------------------|---------------------|-----|-----------------|------------------------------------|----------------------|
| | | | | | Policy or Procedure | Work Plan/Schedule | Letter/Report Filed | N/A | No Doc Provided | Description | |
| 1 | a | | | In Compliance | X | | | | | Policy & Procedure | 40 |
| | b | | | In Compliance | X | | | | | Policy & Procedure | 40 |
| | c | | | In Compliance | X | | | | | Policy & Procedure | 40 |
| | d | | | In Compliance | X | | | | | Policy & Procedure | 40 |
| | e | | | In Compliance | X | | | | | Policy & Procedure | 40 |
| | f | | | In Compliance | X | | | | | Policy & Procedure | 40 |
| 2 | | | | In Compliance | X | X | | | | * Schedule * Policy & Procedure | 15 48 57 59 |
| | a | | | In Compliance | X | X | | | | * Schedule * Policy & Procedure | 15 48 57 59 |
| | a(i) | | | In Compliance | X | X | | | | * Schedule * Policy & Procedure | 15 48 57 59 |
| | a(ii) | | | In Compliance | X | X | | | | * Schedule * Policy & Procedure | 15 48 57 59 |
| | a(iii) | | | In Compliance | X | X | | | | * Schedule * Policy & Procedure | 15 48 57 59 |
| | b | | | In Compliance | X | X | | | | * Schedule * Policy & Procedure | 15 48 57 59 |

DMHC Undertakings - Blue Cross of California
Monthly Status Report
11/30/05

| U/T # | Brief Description | Responsible Officer | ELT Member | Status | Verification of Compliance | | | | | | Doc Control # |
|----------|--|---------------------|------------|---------------|----------------------------|--------------------|---------------------|-----|-----------------|--|----------------------------|
| | | | | | Policy or Procedure | Work Plan/Schedule | Letter/Report Filed | N/A | No Doc Provided | Description | |
| c | Adversely affect the ability of BCC to provide health care services. | | | In Compliance | X | X | | | | * Schedule * Policy & Procedure | 15 48 57 59 |
| | BCC will not make any ACDs if they exceed 79% of BCC's operating income. | | | In Compliance | X | X | | | | * Schedule * Policy & Procedure | 15 48 57 59 |
| 3 | BCC will not make any ACDs if they would result in BCC failing to maintain its liquid assets in an amount that equals or exceeds 150% of its average monthly total expenses. | | | In Compliance | X | X | | | | * Schedule * Policy & Procedure | 13 15 48 57 59 |
| 4 | BCC will not take any of the following actions without the DMHC's prior written approval: | | | | | | | | | | |
| a | Co-sign or guarantee any of Anthem's loans or credit facilities. | | | In Compliance | X | X | | | | * Schedule * Policy & Procedure | 15 48 57 59 |
| b | Permit any portion of Anthem's loans to be assumed by BCC. | | | In Compliance | X | X | | | | * Schedule * Policy & Procedure | 15 48 57 59 |
| c | Allow a pledge of BCC's assets or capital stock in connection with any of Anthem's loans. | | | In Compliance | X | X | | | | * Schedule * Policy & Procedure | 15 48 57 59 |
| d | Borrow funds to make any ACDs (except ones in compliance with Undertaking #2) or to make a payment pursuant to any written agreement between or among BCC or its affiliates. | | | In Compliance | X | X | | | | * Schedule * Policy & Procedure | 15 48 57 59 |
| 5 | BCC will file its IBNR, certified by its independent public accounting firm, with the DMHC. | | | In Compliance | | | X | | | * PWC certification for PE 12/31/04 filed 2/15/05 * E&Y certification for 1Q05 filed 5/17/05 * E&Y certification for 2Q05 filed 8/15/05 * E&Y certification for 3Q05 filed 11/14/05 | 9 |

DMHC Undertakings - Blue Cross of California
Monthly Status Report
11/30/05

| U/T # | Brief Description | Responsible Officer | ELT Member | Status | Verification of Compliance | | | | | | Doc Control # |
|----------|--|---------------------|------------|---------------|----------------------------|--------------------|---------------------|-----|-----------------|---|----------------------|
| | | | | | Policy or Procedure | Work Plan/Schedule | Letter/Report Filed | N/A | No Doc Provided | Description | |
| 6 | BCC and Anthem will not increase premiums as a result of the merger. | | | | | | | | | | |
| | An initial written commitment will be prepared by Anthem. Thereafter, a written certification will be required that demonstrates: | | | | | | | | | | |
| (1) | BCC's methodologies for determining premium rates did not change post-merger. | | | In Compliance | | | X | | | 11/30/05 Annual Certification Statement | 77 |
| (2) | No debt rating factor to finance the merger was included in post-merger practices. | | | In Compliance | | | X | | | 11/30/05 Annual Certification Statement | 77 |
| (3) | BCC's methodologies for determining product and benefit designs did not change post-merger. | | | In Compliance | X | | X | | | * Policy & Procedure * 11/30/05 Annual Certification Statement | 56 77 |
| (4) | BCC's admin expense ratio (13.31%) did not exceed pre-merger levels (without reporting so to the DMHC). | | | In Compliance | | X | X | | | * Admin ratio schedule * Disclosed in Quarterly Financial Reports * 11/30/05 Annual Certification Statement | 17 77 |
| (5) | Anthem (not BCC) paid change-in-control severances and retention bonuses. | | | In Compliance | X | | X | | | * Policy & Procedure * 11/30/05 Annual Certification Statement | 40 77 |
| (6) | Anthem had cash-on-hand to pay all merger obligations. | | | In Compliance | X | | X | | | * Policy & Procedure * 11/30/05 Annual Certification Statement | 40 77 |
| (7) | BCC's dividends did not exceed the limitations of Undertakings #2 and #3. | | | In Compliance | X | X | X | | | * Schedule * Policy & Procedure * 11/30/05 Annual Certification Statement | 15 48 57 77 |
| (8) | BCC filed with the DMHC an actuarial memo certifying that no portion of any premium rate charged for a BCC product included charges related to the financing of the merger; and that no reductions in provider reimbursement levels were attributable to merger costs. | | | In Compliance | | | X | | | * 11/30/05 Annual Certification Statement | 77 |

DMHC Undertakings - Blue Cross of California
Monthly Status Report
11/30/05

| U/T # | Brief Description | Responsible Officer | ELT Member | Status | Verification of Compliance | | | | | | Doc Control # |
|-------|---|---------------------|------------|---------------|----------------------------|--------------------|---------------------|-----|-----------------|--|----------------------|
| | | | | | Policy or Procedure | Work Plan/Schedule | Letter/Report Filed | N/A | No Doc Provided | Description | |
| | For purposes of these Undertakings, "Merger Debt Period" means the period beginning with the closing of the Merger and thereafter ending on the later of (1) the date three years following the closing of the Merger, or (2) the date when Anthem has made aggregate principal payments in respect of its or WellPoint's consolidated indebtedness equal to the aggregate principal amount of indebtedness incurred by Anthem to finance its cash requirements for the Merger ("Merger Related Indebtedness"), excluding, however, any principal payments that are "Refinancings" of Merger Related Indebtedness. A principal payment will be deemed to be a Refinancing of Merger Related Indebtedness if and to the extent that (x) Anthem borrows funds within thirty days before or after the date of the principal payment of Merger Related Indebtedness, and (y) the proceeds from the other borrowing are not specifically used for an identified purpose other than payment of Merger Related Indebtedness. | | | In Compliance | X | | | | | Schedule | 72 |
| 7 | BCC will renew (and not terminate) any group or individual contract prior to the expiration of its term, except as otherwise expressly permitted under the Knox-Keene Act. | | | In Compliance | X | | | | | * Individual and Small Group EOC * LG Group Benefit Agreement * Policy & Procedure | 22 10 56 |
| | For 3 years, if BCC withdraws a plan from the market or ceases to provide coverage, and an enrollee has a pre-existing condition, BCC will waive the time requirements for the pre-existing exclusion if enrolled in another BCC plan. | | | In Compliance | X | | | | | * Individual and Small Group EOC * LG Group Benefit Agreement * Policy & Procedure | 22 10 56 |
| | If BCC ceases to provide services for any plan, that plan will remain in effect until the first renewal date that occurs on or after the expiration of the 180-day notice. | | | In Compliance | X | | | | | * Individual and Small Group EOC * LG Group Benefit Agreement * Policy & Procedure | 22 10 56 |
| | If BCC ceases to provide new plans, affected former subscribers will be given the opportunity to elect continued coverage under the most comparable plan from BC Life with no underwriting for health status factors. | | | In Compliance | X | | | | | * Individual and Small Group EOC * LG Group Benefit Agreement * HIPAA Conversion EOC * Policy & Procedure | 22 10 42 56 |
| 8 | BCC will maintain its efforts in Medi-Cal, Healthy Families, AIM, and MRMIP (assuming the same market, economic, and other conditions that currently exist). | | | In Compliance | X | | | | | Verification on intranet site | 36 |

DMHC Undertakings - Blue Cross of California
Monthly Status Report
11/30/05

| U/T # | Brief Description | Responsible Officer | ELT Member | Status | Verification of Compliance | | | | | | Doc Control # |
|-------|---|---------------------|------------|---------------|----------------------------|--------------------|---------------------|-----|-----------------|--|---------------|
| | | | | | Policy or Procedure | Work Plan/Schedule | Letter/Report Filed | N/A | No Doc Provided | Description | |
| 9 | BCC will maintain its efforts in offering and renewing ISG products on the same basis as prior to the merger - assuming the same market, economic, and other conditions that currently exist: | | | In Compliance | X | | | | | Individual and Small Group EOC | 22 |
| | 1) The reimbursement and compensation BCC receives; the scope and nature of services it must provide; the structure, composition and reimbursement payable to the health care providers supporting BCC's provision of products; and the substantive impact to the competitive environment resulting from changes to the legislative and regulatory framework applicable to its operations or to ISG products. | | | In Compliance | X | | | | | Individual and Small Group EOC | 22 |
| | 2) The nature and adequacy of its provider network in any relevant service area. | | | In Compliance | X | | | | | Policy & Procedure | 70 |
| 10 | BCC will maintain its organizational and administrative capacity, and unless the DMHC otherwise grants prior approval in writing, BCC will maintain the following non-exclusive list of functions in California: | | | | | | | | | Oversight procedure established with Human Resources | 66 |
| | a A Medical Director, clinical decision-making, medical policy development, and determination of BCC formulary | | | In Compliance | | X | X | | | * Appointment of a Medical Director filed 2/9/05 * All clinical decisions are made in California. In addition, on 3/11/05, a survey was sent to all delegated medical groups and IPAs to confirm delegated UM decisions are made in California. | 1 20 |
| | b Prior-authorization and referral system | | | In Compliance | | X | | | | Schedule | 20 |
| | c Enrollee grievance system (including appeals) | | | In Compliance | X | | | | | Policy & Procedure | 56 |
| | d Independent medical review process (including experimental treatment reviews) | | | In Compliance | | X | | | | Schedule | 20 |
| | e Provider dispute resolution process | | | In Compliance | X | | | | | Policy & Procedure | 56 |
| | f Accounting and finance activities and personnel | | | In Compliance | X | | | | | Policy & Procedure | 64 73 |
| | BCC has notified the DMHC that it intends to use the TO facility as its headquarters. | | | In Compliance | | | X | | | Filing with Secretary of State | 65 |
| 11 | BCC will not remove its books and records from California (without permission from the DMHC). | | | | | | | | | Oversight procedure established with Human Resources | 66 |

DMHC Undertakings - Blue Cross of California
Monthly Status Report
11/30/05

| U/T # | Brief Description | Responsible Officer | ELT Member | Status | Verification of Compliance | | | | | | Doc Control # |
|-----------|---|---------------------|------------|---------------|----------------------------|--------------------|---------------------|-----|-----------------|---|----------------------|
| | | | | | Policy or Procedure | Work Plan/Schedule | Letter/Report Filed | N/A | No Doc Provided | Description | |
| | Individual and Small Group | | | In Compliance | X | | | | | Policy & Procedure | |
| | Large Group | | | In Compliance | X | | | | | Policy & Procedure | 56 |
| | Health Care Management | | | In Compliance | X | | | | | Policy & Procedure | 39 |
| | Medical Director | | | In Compliance | X | | | | | Policy & Procedure | 61 |
| | Actuarial | | | In Compliance | X | | | | | Policy & Procedure | |
| | Finance | | | In Compliance | X | | | | | Policy & Procedure | 64 73 |
| | Sales and Product Support | | | In Compliance | X | | | | | Policy & Procedure | |
| 12 | If the reimbursement rates or methodologies under its administrative services agreement with WellPoint or Anthem are changed, or if BCC amends, changes, terminates, or replaces its agreement with WellPoint or Anthem, BCC will file the changes with the DMHC. | | | In Compliance | X | | X | | | * Policy & Procedure * Amendment filed 7/25/05 for IBM (IT services) * Amendment filed 8/5/05 for APAC (provider call center services) * Amendment filed 8/12/05 for Accenture (claims services) | 40 54 55 69 |
| 13 | If BCC amends, changes, terminates or replaces its tax sharing agreements, BCC will file the changes with the DMHC. | | | In Compliance | X | | | | | Policy & Procedure | 40 |
| 14 | BCC's admin costs to premium revenues will not exceed 13.31% (if BCC anticipates it will exceed, that needs to be promptly reported in writing to the DMHC). | | | In Compliance | | X | X | | | * Admin ratio schedule * Disclosed in Quarterly Financial Reports | 17 |
| 15 | BCC will implement the Patient Advocate Improvement Program (PAI): | | | | | | | | | | 32 51 58 |
| | Improve any "one star" ratings on the Quality Report Card. | | | In Compliance | | X | X | | | QI workplan | 4 |
| | Address any low scores on HEDIS ratings. | | | In Compliance | | X | X | | | QI workplan | 4 |

DMHC Undertakings - Blue Cross of California
Monthly Status Report
11/30/05

| U/T # | Brief Description | Responsible Officer | ELT Member | Status | Verification of Compliance | | | | | | Doc Control # |
|-------|--|---------------------|------------|---------------|----------------------------|--------------------|---------------------|-----|-----------------|--|---------------|
| | | | | | Policy or Procedure | Work Plan/Schedule | Letter/Report Filed | N/A | No Doc Provided | Description | |
| | Maintain and improve current initiatives in childhood immunizations, breast and cervical cancer screening, pre-natal and post-natal care, controlling blood pressure, asthma management, diabetes treatments, and coronary artery disease. | | | In Compliance | | X | X | | | QI workplan | 4 |
| | Add the following new initiatives: | | | | | | | | | | |
| a | Mental health initiatives | | | In Compliance | | X | X | | | QI workplan | 4 |
| b | Obesity initiatives | | | In Compliance | | X | X | | | QI workplan | 4 |
| c | Chlamydia screenings | | | In Compliance | | X | X | | | QI workplan | 4 |
| d | Use of antibiotics | | | In Compliance | | X | X | | | QI workplan | 4 |
| | Expand and enhance BCC's Physician Quality and Incentive Program (PQIP) | | | In Compliance | | X | X | | | QI workplan | 4 |
| | BCC will convene a special advisory committee (comprised of members of the PAI and a DMHC representative) to review the PAI Program; the advisory committee will prepare a report and recommendations on or before 12/31/04 (and on 6/30/05). | | | In Compliance | | X | X | | | * QI workplan * Advisory Committee report filed 12/29/04 * 6/30 PAI Progress Report presented to the DMHC on 7/13/05 | 4 8 |
| | QI Program will include disease management programs, advancing patient safety programs, promoting wellness, and efforts to improve scores on measures related to clinical quality. | | | In Compliance | | X | X | | | QI workplan | 4 |
| | Thereafter, BCC will promptly implement the recommendations of the advisory committee. | | | In Compliance | | X | X | | | QI workplan | 4 |
| | BCC anticipates PAI Program expenditures in 2004 will exceed 2003 by 73%. In addition, BCC will increase financial expenditures by at least 50% from 2004 levels by the end of the merger debt period. | | | In Compliance | | X | X | | | QI workplan | 4 |
| | In the event BCC's scores of "one star" on the Quality Report Card are not improved on the next Report Card, or it receives a new "one star" issued by the OPA in 2006, BCC will submit a written report to the DMHC with corrective actions recommended by an independent expert advisor. | | | In Compliance | | X | X | | | QI workplan | 4 |
| | In the event BCC does not implement the corrective actions, a rebuttable presumption will arise that BCC has not complied with Undertaking #15 (which can in turn be rebutted by BCC). | | | In Compliance | | X | X | | | QI workplan | 4 |

DMHC Undertakings - Blue Cross of California
Monthly Status Report
11/30/05

| U/T # | Brief Description | Responsible Officer | ELT Member | Status | Verification of Compliance | | | | | | Doc Control # |
|-------|---|---------------------|------------|---------------|----------------------------|--------------------|---------------------|-----|-----------------|--|----------------------------|
| | | | | | Policy or Procedure | Work Plan/Schedule | Letter/Report Filed | N/A | No Doc Provided | Description | |
| 16 | BCC and Anthem will implement the "Investment In A Healthy California Program" (\$100 million investment; Exhibit A). | | | In Compliance | | | | X | | | |
| 17 | The WellPoint Foundation will commit \$15 million (\$5 million/year for 3 years) to its Insuring Healthy Futures initiative aimed at increasing Medi-Cal and Healthy Families enrollment in California. | | | In Compliance | | | X | | | * \$5 million payment made 5/2/05 * \$5 million payment made 7/25/05 | 29 49 |
| | The WellPoint Foundation will also work with the U.S. DHS, the California DHS, and MRMIP to secure any available matching funds. | | | In Compliance | | | | | | | |
| | BCC will provide a written report to the DMHC at the end of each of the 3 years. | | | In Compliance | | | | | | | |
| 18 | BCC will promptly develop a corrective action plan and implement recommendations to address the 7/14/04 Preliminary Report (superceded by the 9/16/04 Final Report) of the DMHC's Routine Financial Examination (period ended 9/30/03). | | | | | | | | | | |
| | Operations portion | | | In Compliance | | | X | | | CAP included in 10/5/04 response to DMHC | 14 |
| | Operations portion | | | In Compliance | | | X | | | CAP included in 10/5/04 response to DMHC | 14 |
| | Finance portion | | | In Compliance | | | X | | | CAP included in 10/5/04 response to DMHC | 14 |
| 19 | In regard to retroactive cancellations (identified in the 7/14/04 Preliminary Report), BCC will file a semi-annual written report evidencing: | | | | | | | | | | |
| | a BCC has timely issued a Notice of Cancellation to all group subscribers cancelled for non-payment of premiums. | | | In Compliance | X | | X | | | * 3/31/05 report filed with DMHC on 3/31/05 * DMHC issued deficiency letter on 4/28/05 * Policy & Procedure * 9/30/05 report filed with DMHC on 11/3/05 | 10 26 34 56 75 |
| | b BCC has an adequate mechanism to timely verify that employer groups have done the same. | | | In Compliance | X | | X | | | * 3/31/05 report filed with DMHC on 3/31/05 * DMHC issued deficiency letter on 4/28/05 * Policy & Procedure * 9/30/05 report filed with DMHC on 11/3/05 | 10 26 34 56 75 |

DMHC Undertakings - Blue Cross of California
Monthly Status Report
11/30/05

| U/T # | Brief Description | Responsible Officer | ELT Member | Status | Verification of Compliance | | | | | | Doc Control # |
|-------|---|---------------------|------------|---------------|----------------------------|--------------------|---------------------|-----|-----------------|--|----------------------|
| | | | | | Policy or Procedure | Work Plan/Schedule | Letter/Report Filed | N/A | No Doc Provided | Description | |
| c | BCC has timely issued a Notice of Cancellation to all individual subscribers cancelled for non-payment of premiums (survey required). | | | In Compliance | X | | X | | | * 3/31/05 report filed with DMHC on 3/31/05 * DMHC issued deficiency letter on 4/28/05 * Policy & Procedure * 9/30/05 report filed with DMHC on 11/3/05 | 26 34 56 75 |
| 20 | ISG: If BCC decides to close a block of business, it will file the proposed transaction with the DMHC and await approval. | | | In Compliance | X | | | | | * Policy & Procedure | |
| | LARGE GROUP: If BCC decides to close a block of business, it will file the proposed transaction with the DMHC and await approval. | | | N/A | X | | | X | | * Health & Safety Code section 1367.15. * Policy & Procedure | 43 56 |
| 21 | CLINICAL: BCC will provide a corrective action plan to address all deficiencies noted in the 2/28/03 Final Report of the Routine Medical Survey (follow-up notice 7/7/04). | | | In Compliance | | | X | | | CAP submitted to DMHC on 7/22/04 | 3 |
| | CLINICAL: BCC will retain an independent expert advisor to review BCC's compliance with the 9 deficiencies listed in the Final Report of the Routine Medical Survey. | | | In Compliance | | | X | | | * BCC's proposal to obtain independent expert advisor Lana Cotner * Final on-site audit report (prepared by Lana Cotner) filed with DMHC on 4/29/05 * Supplemental report advising of actions taken to implement Cotner's recommendations filed with DMHC on 6/30/05 * DMHC acknowledgement letter of receipt and closure | 19 31 38 50 |
| | CLINICAL: BCC will provide a corrective action plan to address all deficiencies noted in the 2004 Preliminary Report of the Non-Routine Medical Survey for Behavioral Health (AB88). | | | In Compliance | | | X | | | * CAP submitted to DMHC on 9/11/04 * Preliminary report on Focused Survey issued 7/18/05 * Response to 7/18/05 Focused Survey submitted 9/2/05 | 2 63 67 |
| | CLAIMS: BCC will provide a corrective action plan to address all deficiencies noted in the 2004 Preliminary Report of the Non-Routine Medical Survey for Behavioral Health (AB88). | | | In Compliance | | | X | | | * CAP submitted to DMHC on 1/6/05 * Preliminary report on Focused Survey issued 7/18/05 * Preliminary report on Focused Survey issued 9/9/05 * Response to 9/9/05 Focused Survey submitted 10/24/05 | 25 63 68 74 |

DMHC Undertakings - Blue Cross of California
Monthly Status Report
11/30/05

| U/T # | Brief Description | Responsible Officer | ELT Member | Status | Verification of Compliance | | | | | | Doc Control # |
|-------|---|---------------------|------------|---------------|----------------------------|--------------------|---------------------|-----|-----------------|--|---------------|
| | | | | | Policy or Procedure | Work Plan/Schedule | Letter/Report Filed | N/A | No Doc Provided | Description | |
| 22 | BCC will file with the DMHC a report demonstrating compliance with all undertakings. | | | In Compliance | | | X | | | 11/30/05 Annual Compliance Report filed 11/28/05 | 78 |
| 23 | BCC will promptly pay for any costs arising from activities of the DMHC to verify and audit BCC's compliance with the undertakings. | | | In Compliance | X | | | | | Policy & Procedure | 73 |
| 24 | BCC acknowledges the grounds for disciplinary action in the event that inappropriate actions or conduct by BCC occurs. | | | | | | | X | | | |
| 25 | BCC and Anthem will promptly provide the DMHC with copies of the written agreements of the executive officers of WellPoint and BCC. | | | In Compliance | | | X | | | Filed copies with DMHC in July 2003; refiled 2/11/05 | 6 |
| 26 | BCC, WellPoint, and Anthem will provide to the DMHC amended undertakings for Golden West. | | | In Compliance | | | X | | | Filed with DMHC 12/7/04 | 7 |
| 27 | These undertakings will be enforceable to the fullest extent of the authority and power of the DMHC under the Knox-Keene Act, including all civil, criminal, and administrative remedies. | | | In Compliance | | | | X | | | |
| 28 | The undertakings will be subject to the following terms and conditions: | | | In Compliance | | | | X | | | |
| | a Binding effect | | | | | | | | | | |
| | b Governing law | | | | | | | | | | |
| | c Invalidity | | | | | | | | | | |
| | d Duration | | | | | | | | | | |
| | e Third party rights | | | | | | | | | | |
| | f Amendment | | | | | | | | | | |
| | g Assignment | | | | | | | | | | |
| | h Specific performance | | | | | | | | | | |
| 29 | In addition to these undertakings, BCC reasserts and reaffirms to abide by all undertakings in existence prior to the execution of this document. | | | In Compliance | | | X | | | Undertakings - Bariatric COE | 76 |